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Fiscal Note

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HF 302 – Bingo Sales Tax Exemption (LSB 2111HH)

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Fiscal Note Version – New

Requested by Representative Steven F. Lukan

Description

House File 302 specifies that bingo games conducted by qualified organizations for certain charitable purposes are exempt from the sales and use tax imposed on bingo games.

Background

The Department of Inspections and Appeals (DIA) collects data from organizations including the amount of bingo gaming receipts. As of February 15, 2011, 51.0% of the annual gambling reports had been submitted to the DIA. Based on those reports, \$11.7 million of bingo gaming receipts had been reported. The DIA has indicated that the anticipated final amount of bingo gaming receipts reported for FY 2010 will total a minimum of \$14.0 million.

Assumptions

- Bingo gaming receipts will remain constant at \$14.0 million annually in future years.
- The statewide local option sales tax (LOST) rate will remain at 0.87% in future years.
- State sales/use tax will be deposited as follows: five-sixths in the General Fund and one-sixth in the Secure an Advanced Vision for Education (SAVE) Fund.

Fiscal Impact

The estimated fiscal impact of House File 302 is:

- A reduction in General Fund tax receipts totaling \$700,000 in FY 2012 and future fiscal years.
- A reduction in tax receipts for the SAVE Fund totaling \$140,000 in FY 2012 and future fiscal years.
- A statewide reduction in LOST totaling \$122,000 in FY 2012 and future fiscal years.

Sources

Department of Inspections and Appeals
LSA calculations and analysis

/s/ Holly M. Lyons

February 23, 2011

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the correctional and minority impact statements were prepared pursuant to Code [Section 2.56](#). Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
